



Busan, a cutting-edge and innovative hub city, is a launching pad for future development



**INVEST IN
BUSAN**



Korea has the capability to bring about unlimited growth based on a wide range of industries and high technology to change the future

The Republic of Korea (Korea) is the 10th largest economy in the world with a GDP amount totaling \$1.8T (USD) and it ranked 9th in foreign exchange reserve as of the end of June 2022. Furthermore, it achieved the largest export record in history by exceeding \$600B (USD) in exports for two consecutive years and became the 6th largest world economy in terms of trade volume.

Y2021
644.54B in exports, ranked **8th** in trade volume

Y2022
683.9B in exports, ranked **6th** in trade volume

* Index source: MOTIE (Ministry of Trade, Industry and Energy in Korea)

Topped the list in the Index of Economic Freedom

It ranks 15th out of 184 countries in 12 items in 4 categories: rule of law, regulatory efficiency, government scale, and market openness. (US ranks 25th, UK ranks 28 and Japan ranks in 31th in the index respectively)

* Index source : The Heritage Foundation (2023)

The Center of East Asia, Logistics Hub Korea Busan is home to the world's 2nd largest port in terms of transshipment volume (2022), and ranked 7th in the world for container cargo handling performance (2022)

As Korea neighbors China and Japan, the country has ideal logistics infrastructure to quickly connect major countries and cities around the world by sea and air. Incheon Airport is ranked 2nd for international air cargo throughput (2021), while total air cargo throughput was ranked 5th in the world (2021)

* Index source : Airports Council International, BUSAN PORT AUTHORITY, Ministry of Oceans and Fisheries

Third largest in the world for manufacturing competitiveness, a manufacturing-oriented export powerhouse

As Korea is a world-class manufacturing powerhouse, manufacturing accounts for 26% of its GDP and 84% of the exports, with major export items including semiconductors, automobiles, petroleum products, automobile parts, and displays.

* Index source : KITA, BANK OF KOREA

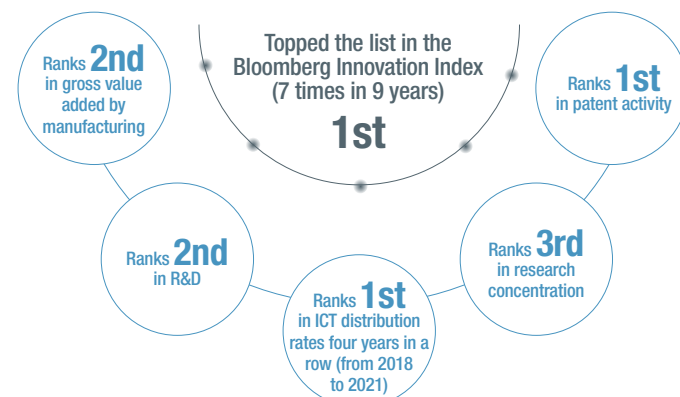
Korea, a bridgehead to advance into Asia and the world beyond

Korea has concluded 21 FTAs with 59 countries around the world, including the European Union (EU), the United States, and China, which are huge economic blocs.

World Leading Digital Infrastructure

Korea was the first in the world to achieve 5G commercialization, essential to run the digital economy, in April 2019. With such progress, the country has easily topped the list for ICT distribution rates four years in a row (from 2018 to 2021) and ranked 8th in the World Digital Competitiveness Ranking in 2022.

* Index source: The International Institute for Management Development (IMD)



* Index source : Bloomberg(February 2021)

Topped the list in Bloomberg Innovation Index in 2021

Korea ranks first in the Bloomberg Innovation Index which is calculated by indexing dozens of criteria grouped according to seven metrics: R&D, researcher concentration, high-tech company density, gross value added by manufacturing and patent activity. The country ranks within the top 5 in the world for R&D, gross value added by manufacturing, high-tech company density, research concentration, and patent activity.



* Index source : www.fta.go.kr(2023. 02)

Population

3.37 million

Foreigners 49thousand



Area

771.33km²



Industrial Complex (2022)

27 spots

35.15km²



Industrial Structure (Y2021)

75.8%
Service

16.4%
Manufacturing

0.5%
Agriculture & Fisheries



Domestic Production Breakdown

90%
Shipbuilding

45%
Automobile

40%
Machinery



Foreign Direct Investment (Y2022)

2.93%
Advanced Industry

45.20%
Material/Component/
Equipment

51.85%
Others



Port Facility (2022)

46-berth capacity,
container throughput
21,910,000TEU/Y

Ranks 7th in the world



Major Companies



Overview of international conferences held in Busan

- 2019 ASEAN-Republic of Korea Commemorative Summit
- 2017 International Telecommunication Union (ITU) Telecom World
- 2015 Annual Meetings of the Inter-American Development Bank (IDB) and Inter-American Investment Corporation (IIC)
- 2010 G20 Finance Ministers and Central Bank Governors Meeting (FMCBG)
- 2009 OECD World Forum
- 2005 APEC Summit

Foreign Evaluation

<p>Ranks 22nd in the Global Smart Centres Index (SCI) (1st among Korean cities, by Z/Yen, a British consulting firm)</p>	<p>Ranks 29th in the Global Financial Centres Index (GFCI) (by Z/Yen, a British consulting firm)</p>	<p>Ranks 21st in the Global Green Finance Index (GGFI) (by Z/Yen, a British consulting firm)</p>
<p>Selected as one of the "25 Breathtaking Places and Experiences for 2023" (by National Geographic)</p>		<p>5th in Asia and 17th in the world for MICE city (by Union of International Associations (UIA), 2021)</p>

Domestic Evaluation

The first International Safe Community among the world's metropolitan cities (by the International Safe Community Certifying Center)
Securing citizen's safety and improvement of the international image through the promotion of International Safe City certification projects

<p>Ranks 1st on city brand rankings (by the Korea Corporate Reputation Research Institute)</p>	<p>Ranks 1st in the Work-Life Balance Index (by the Ministry of Employment and Labor)</p>	<p>Ranks 1st among metropolitan cities in the Citizens' Happiness Index (by the National Assembly Futures Institute)</p>
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Urban and Industry Infrastructure of Busan

<p>Construction of the Gadeokdo New International Airport (scheduled to open in 2029)</p> <ul style="list-style-type: none"> As a gateway airport in the southern region, it will carry out passenger and logistics multi-functions, serving as a 24-hour safe airport for passengers and cargo. Facility area 4 mil.m²(offshore 100%), Runway 3,500 m 	<p>Fostering a global maritime port city</p> <ul style="list-style-type: none"> Phase 1, 2008~2022_ It is beneficial to create complexes that function to serve water-friendly port facilities, as well as commercial and business functions to better serve as an international gateway. Phase 2, 2020~2030_ Redevelopment of port districts, railroad facilities, and old industrial complexes
<p>Establishment of a foundation for balanced development and innovation of urban spaces</p> <ul style="list-style-type: none"> Establishment of a new area wide express transportation system to connect with the metropolitan area and improve downtown accessibility from the Gadeokdo New International Airport (2021~2030) Construction of a self-sufficient city in connection with the new airport and new port through the creation of Eco Delta Smart City (2012~2023) 	<p>Creation of a smart logistics city center based on a tri-port</p> <ul style="list-style-type: none"> Completion of a smart logistics hub city based on a tri-port by establishing a logistics platform in Northeast Asia and supporting the development of the logistics industry restoring railway facilities, and expanding the logistics transportation network Building a globally leading port by attracting logistics companies and creating added value.

The power of Busan:
Connect Korea with the world and
a better future by embracing the
past and present of Korea

Geopolitically, as a gateway to the Eurasian continent, Busan is leaping forward as a global hub city in the world and serves as a launch pad to open the Pacific era.

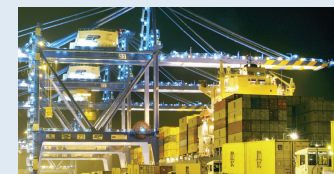


Investment Site



Mieum-Jisa Foreign Investment Zone

New growth engine industry, high-tech industry, high-tech material parts industry



Busan New Port Hinterland

Freight transportation (land/air/rail), food/pharmaceutical cold chain, international logistics brokerage service, multi-modal logistics manufacturing



Eco Delta Smart City

High-tech industry, knowledge, culture, ICT industry



Myeongji International New City

Medical, healthcare, advanced R&D, foreign educational institutions, knowledge industry centers, offices



Ori General Industrial Complex

Food and beverage, cosmetics, metal, chemical, medical, machinery, transportation equipment



Radiology and Radiation Science Industry Complex in the Southeast Region

Medical/radiation industry, R&D, etc.



1st phase of North Port Redevelopment Project

Multi- functions such as waterfront and port facilities, commerce and business



2nd phase of North Port Redevelopment Project

International exchange, finance, business, R&D, etc.



Centum 2 District Urban High-Tech Industrial Complex

ICT industry, content industry, advanced ICT convergence knowledge-based service industry



Busan International Finance Center

Fintech, blockchain, information and communication technology based on the Fourth Industrial Revolution technology



Centum 2 District Urban High-Tech Industrial Complex

- **Size:** 1.91mil.m² (2016~2027)
- **Phase 1: 280,000m², Phase 2: 1.21mil.m², Phase 3: 420,000m²**
- **Target Industries:** Creation of ICT industry, content industry such as movies and video games, and high-tech ICT convergence knowledge-based service industry valley



Eco Delta Smart City

- **Size:** 11.77km² (Residence/commerce 2.91km², industry 2.02km², public facility 5.24km², ecological restoration etc. 1.6km²)
- **Target Industries:** Waterfront eco-city where industrial and urban functions such as residential, commercial, R&D, logistics, knowledge information communication are concentrated
- **Phase 1 (2012~2023):** Urban high-tech industrial complex 659,037m² / Smart City National Pilot City 2,773,000m², **Phase 2 (2016~2024), Phase 3 (2019~2027)**

Based on excellent infrastructure, skillful talent and a bold vision, Busan is equipped with future new growth engines and is leaping toward becoming a world-class city. We are looking for you to join the bright future of Busan.



North Port Redevelopment Project

- **Phase 1 (2008~2022, 1.53mil.m²):** Creation of international gateway functions and waterfront space
- Planned open call project for the development of the landmark site of the maritime cultural district by the private sector (113,000m²)
- **Phase 2 (2020~2030, 2.28mil.m²):** Development of a new marine industry, including an international exchange, finance, business, R&D, etc.



Busan International Finance Center

- Improvements to financial infrastructure and the creation of a state-of-the-art digital financial ecosystem, including the relocation of the Korea Development Bank to Busan.
- Completion of the Busan International Finance Center (BIFC) District 1 (able to accommodate foreign financial institutions in D-Space) in 2014 and District 2 in 2018, which saw public financial institutions such as the Korea Exchange, the Korea Securities Depository, the Marine Finance Center and anti-money laundering education and training institutions moved in.
- BIFC District 3 (10,293m²), scheduled to be completed in 2025 and set to become a future global fintech cluster and the largest digital valley in South Korea's southern region



Myeongji International New City

- **Size:** 6.4 million m² (District 1: 4.5 million m², 2003~2023 / District 2: 1.9 million m², 2022~ 2028); Site for foreign investment companies: 428,886m²
- Emergence as a core area in the Busan-Jinhae Free Economic Zone and an international business center linked to Busan Eco Delta Smart City
- **Target Industries:** Available space for R&D (26,649m² / 29,430m²), medical (64,331m²), education facilities(54,180m²)



Busan New Port Hinterland

- The world's second-largest transshipment port with Northeast Asia's high-tech facilities, infrastructure, and vast hinterland.
- Supporting the creation of added-value and employment by finding and aiding promising companies specializing in port hinterland and linking them with complex logistics manufacturing as well as land, sea, and air logistics
- West Container Terminal (200,687m², available in 2023), South Container Terminal (1,161,000m², available after 2030)

Ori General Industrial Complex

- **Size:** 606,039m²(97,814m² for companies), completed during 2013 to 2019
- **Target Industries:** Development into an industrial center that drives growth in eastern Busan by attracting cosmetics, F&B, medical care, metals, machinery transportation equipment industries, etc.



Radiology and Radiation Science Industry Complex in the Southeast Region

- **Size:** 1.48 million m² (145,945m², 28 parcels of land for companies) completed during 2010 to 2022
- Being developed as the best center for radiation technology (RT) in Korea
- **Creating a power-semiconductor value chain:** Establishing a power-semiconductor research platform (2017~2023) and training power-semiconductor device manufacturing professionals (2020~2024)
- **Establishing a foundation for the fusion radiation industry:** Construction of a baryon accelerator (2010~2026) and development and demonstration of a new research reactor for export (2010~2027)



Mieum-Jisa Foreign Investment Zone

- **Size:** Mieum (total of 299,584m², current available space is 162,940m²), Jisa (total of 298,070m², current available space is 19,912m²)
- Dedicated complex for foreign-invested companies and domestic companies returning to Korea, and a center that will lead future growth through manufacturing industries, such as mechatronics, automotive parts made of new materials, and shipbuilding equipment, as well as high-tech parts and materials industries
- It can be leased for a max of 50 years, if the invested sum, which is more than the land price, is implemented within 5 years from the date of the tenancy agreement

“Workcation City” embracing the sea

Busan will develop into a hub for global corporate activities by creating an internationalized business environment and an excellent residential environment where foreigners want to invest in and live.

“Workcation” is a compound word of “work” and “vacation,” meaning work and rest at the same time. As such, it is a new way of working that allows work and vacation to coincide. Busan, a workcation city where work, life, and play coexist in everyday life, supports domestic and foreign companies for their systematic business activities, such as investment and attraction of business, through remote work experiences in various fields like ICT, finance, culture, and gaming.



Accommodation Support

Hotels, resorts and business hotels, etc.



Use of Workspace

Hub center, satellite center, co-working space (seminar hall, conference room), book cafe, study cafe, etc.



Tourism Links

Tourism programs for interested companies, joint support and event management, cultural facilities (art galleries, museums, etc.), activities (surfing, etc.).

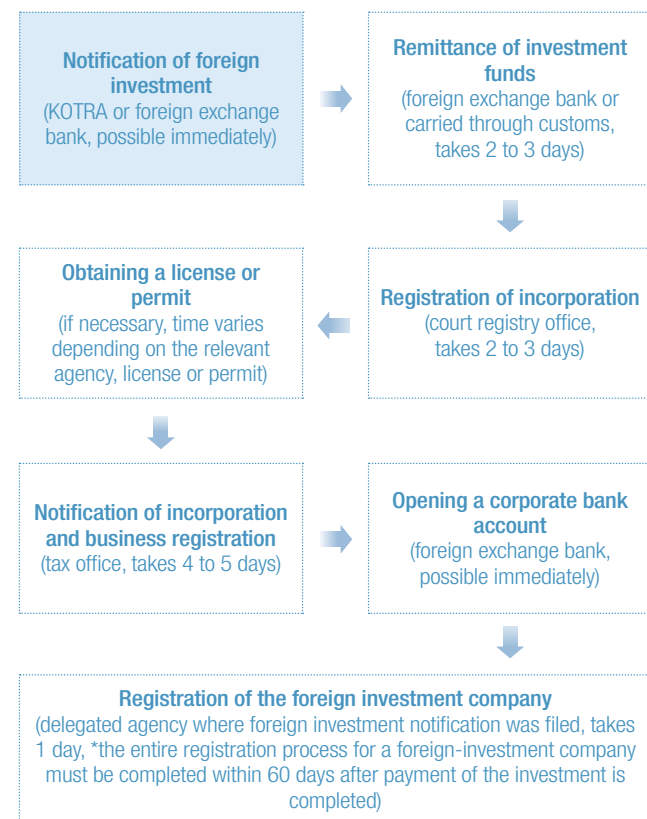


Investment Procedures and Incentives

Busan is striving to create good jobs and become a good city to work and live in. To this end, Busan is attracting high-tech industries, such as smart technology, materials and parts, as well as future industries such as green, digital, bio, and healthcare, in addition to excellent foreign educational institutions. Busan enthusiastically welcomes foreign direct investments and has prepared various benefits and support measures.

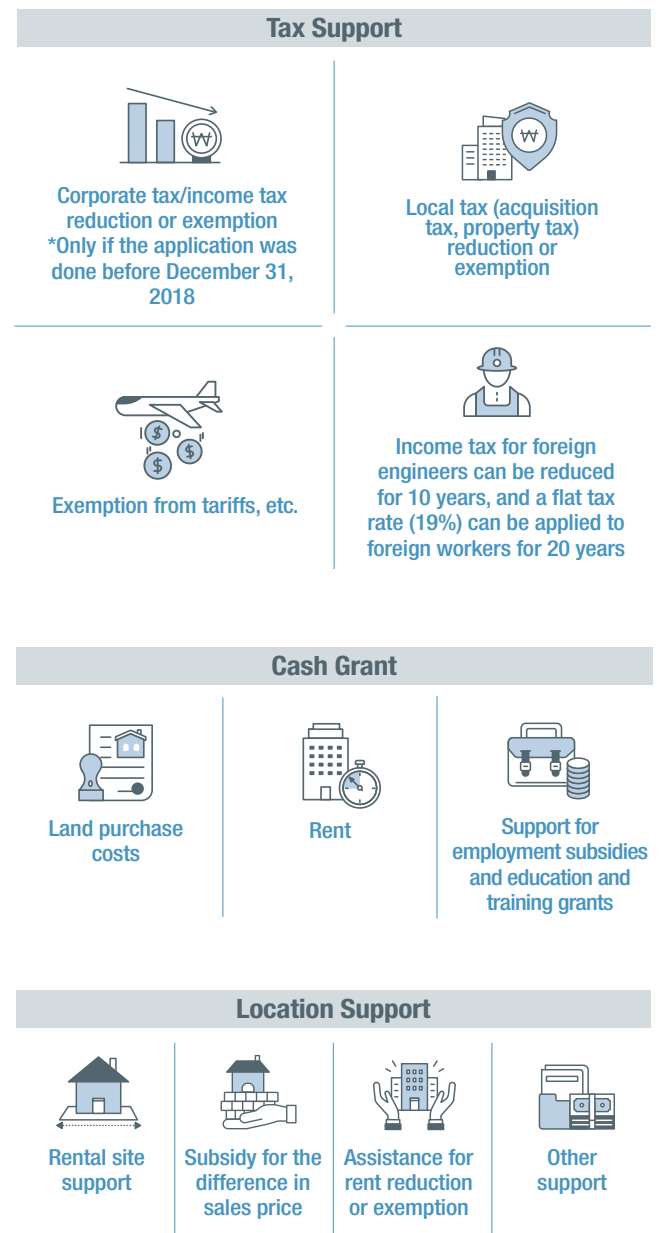
Foreign Direct Investment

The process mainly consists of 4 steps: Notification of foreign investment, remittance of investment funds, registration of incorporation to the court registry office and tax office, and registration of a foreign-investment company.



*Note: In the case of a capital increase, after notifying of foreign investment and remittance of the investment funds, register a capital increase (court registry office, takes 2 to 3 days), and register the change as a foreign-investment company (initially delegated agency, takes 1 day).

Investment Incentives



Investment Incentive Requirements and Details

Features	Requirements	Tax reduction or exemption
New growth engines and original technologies in an accompanying industry	<ul style="list-style-type: none"> Technologies and materials directly related to new growth engines and original technologies - Set up and operate factory facilities such as production processes (over \$2M) to operate related technology accompanying businesses 	<ul style="list-style-type: none"> Income tax, corporate tax: 100% reduction for 5 years, 50% reduction for the next 2 years (if applied before December 31, 2018) Acquisition tax (for 15 years), property tax (for 10 years): Exempted up to 100% Tariffs, VAT, individual consumption tax: 100% reduction for 5 years
Foreign Investment Zone	<ul style="list-style-type: none"> Individual-type - Manufacturing: Over \$30M / Tourism, leisure, MICE: Over \$20M - Logistics: Over \$10M / R&D Center: Over \$20M Complex-type - Manufacturing: Over \$10M / Logistics: Over \$5M 	<ul style="list-style-type: none"> Income tax, corporate tax: 100% reduction for 3 years, 50% reduction for the next 2 years (if you apply before December 31, 2018) Acquisition tax (for 15 years), property tax (for 10 years): Exempted up to 100% Tariffs: 100% reduction for 5 years
Free Economic Zone	<ul style="list-style-type: none"> Manufacturing, tourism and leisure, MICE: Over \$10M Logistics, medical institutions: Over \$5M R&D Center: Over \$1M (over 10 researchers) 	<ul style="list-style-type: none"> Income tax, corporate tax: 100% reduction for 3 years, 50% reduction for the next 2 years (if you apply before December 31, 2018) Acquisition tax (for 15 years), property tax (for 10 years): Exempted up to 100% Tariffs: 100% reduction for 5 years
Location Support	<ul style="list-style-type: none"> Foreign investment ratio of 30% or more When conditions such as business/industry category, other eligibility qualifications, and limits are met 	<ul style="list-style-type: none"> Rent reduction Infrastructure support
Cash Grant	<ul style="list-style-type: none"> Foreign investment ratio of 30% or more Manufacturing: Companies specializing in parts and materials, new growth engines and original technology accompanying projects R&D Centers: Construction of new R&D facilities (5 or more researchers) 	<ul style="list-style-type: none"> Decision after evaluation and consultation

The cash grant is a system that supports part of the business costs in cash, for companies which operate in a new growth engine technology accompanying industry, high technology and high-tech product industry, and parts and materials industries, or create large-scale employment, or set up R&D centers or regional headquarters, through examination and negotiation when certain requirements related to the company's economic contributions and business details are met.

*Note: If a company's foreign investment ratio is over 30% and, foreign investment was done through the acquisition of newly issued stocks (including reinvestment of undisposed retained earnings), the company is eligible to apply for cash assistance. However, if foreign investment was based on long-term loans, the company is not eligible.

Cash Grant Procedure

Application forms are submitted to the Ministry of Trade, Industry and Energy (Foreign Investment Promotion Center) through support from the KOTRA Investment Promotion Office, Invest KOREA or local government, and Invest KOREA's Foreign Investment Cash Assistance Center and PM provides consultation and support on eligible requirements, applications and screening procedures.

1 Apply for cash grant	[Application] Investors (companies) [Reception] Ministry of Trade, Industry and Energy [Support] KOTRA	Submission of applications and investment plans Designation of a negotiator Designation of PM and application for cash grant
2 Screening	Pre-evaluation Committee (only if undisposed retained earnings are reinvested) and Evaluation Committee	Formation of the Evaluation (Pre-evaluation) Committee and Evaluation

3 Cash grant amount calculation	Cash Grant Calculation Committee	Formation of the Calculation Committee and Evaluation
4 Proposal form (preparation of a negotiation plan)	Ministry of Trade, Industry and Energy - Local Government - Ministry of Strategy and Finance	Drafting a proposal (negotiation plan) and submitting it to the Foreign Investment Committee
5 Deliberation and resolution	Foreign Investment Committee	Decision on whether to pay in cash or not
6 Signing of contract	Ministry of Trade, Industry and Energy - Local Government - Investors	Transferring cash grant funds after signing a cash grant contract (temporary or installment payments are possible)
7 Follow-up management	Ministry of Trade, Industry and Energy, Local Government, KOTRA	Checking on investment execution and expenditure results, and review of details of cash grant contracts implementation



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